

Audit

Report



U.S. JOINT FORCES COMMAND
COMPTROLLER DIVISION OPERATIONS

Report No. D-2000-159

July 12, 2000

Office of the Inspector General
Department of Defense

20000727081

DISTRIBUTION STATEMENT A
Approved for Public Release
Distribution Unlimited

AGI00-10-3018

Additional Copies

To obtain additional copies of this audit report, contact the Secondary Reports Distribution Unit of the Audit Followup and Technical Support Directorate at (703) 604-8937 (DSN 664-8937) or fax (703) 604-8932 or visit the Inspector General, DoD, Home Page at: www.dodig.osd.mil.

Suggestions for Future Audits

To suggest ideas for or to request future audits, contact the Audit Followup and Technical Support Directorate at (703) 604-8940 (DSN 664-8940) or fax (703) 604-89342. Ideas and requests can also be mailed to:

OAIG-AUD (ATTN: AFTS Audit Suggestions)
Inspector General, Department of Defense
400 Army Navy Drive (Room 801)
Arlington, VA 22202-2885

Defense Hotline

To report fraud, waste, or abuse, contact the Defense Hotline by calling (800) 424-9098; by sending an electronic message to Hotline@dodig.osd.mil; or by writing to the Defense Hotline, The Pentagon, Washington, DC 20301-1900. The identity of each writer and caller is fully protected.

Acronyms

APC	Agency Program Coordinator
USJFCOM	U.S. Joint Forces Command



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-2885

July 12, 2000

MEMORANDUM FOR COMMANDER IN CHIEF, U.S. JOINT FORCES
COMMAND
INSPECTOR GENERAL, U.S. JOINT FORCES
COMMAND
COMPTROLLER, U.S. JOINT FORCES COMMAND

SUBJECT: Audit Report on U.S. Joint Forces Command Comptroller Division
Operations (Report No. D-2000-159)

We are providing this audit report for review and comment. We performed the audit in response to a request from the Commander in Chief, U.S. Joint Forces Command. The Comptroller did not respond to the draft report.

DoD Directive 7650.3 requires that all recommendations be resolved promptly. Because we did not receive any management comments, we request that the Comptroller, U.S. Joint Forces Command, provide comments on all recommendations by August 14, 2000.

We appreciate the courtesies extended to the audit staff. Questions on the audit should be directed to Mr. David F. Vincent at (703) 604-9109 (DSN 664-9109) (dvincent@dodig.osd.mil) or Mr. John A. Richards at (703) 604-9133 (DSN 664-9133) (jrichards@dodig.osd.mil). See Appendix D for the report distribution. The audit team members are listed inside the back cover.

Robert J. Lieberman
Assistant Inspector General
for Auditing

Office of the Inspector General, DoD

Report No. D-2000-159

(Project No. D1999FH-0093)

(formerly Project No. 9FH-5025)

July 12, 2000

U.S. Joint Forces Command Comptroller Division Operations

Executive Summary

Introduction. We performed this audit in response to a request by the Commander in Chief, U.S. Joint Forces Command, to assess the efficiencies of Comptroller Division operations after its recent reorganization. The Comptroller Division coordinates the requirements, development, and execution of the command budget, which totaled \$191 million for FY 1999. The Comptroller Division recently reorganized to provide resource management functions for five additional Joint Command sub-activities and to manage an increasing budget.

Objectives. Our overall objective was to evaluate the efficiency of Comptroller Division operations after its recent reorganization. We evaluated the processes for formulating and executing the budget and liquidating travel claims. We also evaluated civilian attendance records, overtime, compensatory time, the health and wellness program with respect to overtime and compensatory time, and the travel and purchase card programs. In addition, we reviewed the implementation of management controls applicable to those areas.

Results. Our review showed that the processes for budget formulation and execution, for liquidating travel claims, and for the travel and purchase card programs were adequate. However, the management control program of the U.S. Joint Forces Command Comptroller Division was not adequate. Consequently, Comptroller Division personnel may not have identified management control weaknesses that require corrective actions. For details of the audit results, see the Finding section of the report. In addition, see Appendix B for other matters of interest related to management's request. See Appendix A for details on the management control program.

Summary of Recommendations. We recommend that the Comptroller Division fully implement the management control program requirements of DoD and of the U.S. Joint Forces Command for performing risk assessments and management control reviews. We recommend that the Comptroller Division ensure that planned corrective actions are accomplished.

Management Comments. We provided a draft of this report on April 18, 2000. No management comments were received. We request that the Comptroller, U.S. Joint Forces Command, provide comments on the final report by August 14, 2000.

Table of Contents

Executive Summary	i
Introduction	
Background Objectives	1 2
Finding	
Adequacy of Management Control Program	3
Appendixes	
A. Audit Process	
Scope	7
Methodology	8
Management Control Program	8
Summary of Prior Coverage	9
B. Other Matters of Interest	10
C. Audit Request Letter	14
D. Report Distribution	15

Background

The U.S. Joint Forces Command (USJFCOM) was officially established on October 7, 1999. USJFCOM was redesignated from the former U.S. Atlantic Command. We last reviewed the U.S. Atlantic Command Comptroller Division in December 1996. After that review, the Comptroller Division underwent a major reorganization that included adding the responsibilities for five Joint Command sub-activities.

The reorganization had the following objectives:

- to create an internal structure capable of providing the basic resource management functions for a multiappropriation, multiyear, command-wide annual budget of \$300 million;
- to provide USJFCOM staff and subordinate activities with program management and analysis support; and
- to continue to review and analyze staffing levels required to support assigned missions and functions in conjunction with new systems and a new team concept and identify potential downsizing.

Because of the reorganization and time span since the last review, the USJFCOM Inspector General and Comptroller requested that we conduct an audit to assess and identify where efficiencies could be improved. We expanded the audit scope to address management concerns raised after we received the request. The additional areas included the travel and purchase card programs, the health and wellness program with respect to overtime and compensatory time, and the formulation and execution of the budget.

Comptroller Division. The USJFCOM Comptroller Division has 31 billet authorizations. Before the consolidation of financial management functions for all USJFCOM subordinate activities within the local area, the Division had 16 billets. As of November 16, 1999, 29 authorized billets were filled. The USJFCOM Comptroller Division used the Standard Accounting and Reporting System – Field Level, maintained by the Department of the Navy, as its official accounting system.

Personnel Support Detachment. Personnel Support Detachment serves as the central point of contact for travel claims for the entire command. Personnel Support Detachment processes travel claims through coordination with the Defense Finance and Accounting Service Charleston, South Carolina, and provides reimbursement information to the Comptroller Division and to travelers.

Personnel Department. The Personnel Department serves as a central administrative contact throughout the command. Time and attendance records for USJFCOM are input there and transmitted to the Defense Finance and Accounting Service. The Personnel Department administers check-in and check-out procedures for transferring civilian personnel.

Objectives

Our overall objective was to evaluate the efficiency of USJFCOM Comptroller Division operations after its recent reorganization. We evaluated the processes for formulating and executing the budget and liquidating travel claims. We also evaluated civilian attendance records, overtime, compensatory time, the health and wellness program with respect to overtime and compensatory time, and travel and purchase card programs. In addition, we reviewed the implementation of management controls applicable to those areas. See Appendix A for the audit scope and methodology and a summary of prior coverage related to the audit objectives. See Appendix B for other matters of interest.

Adequacy of Management Control Program

The management control program in the Comptroller Division was not adequate. Specifically, the Comptroller Division did not perform risk assessment analyses or management control reviews. The management control program needed improvement because management did not provide the resources for the program or emphasize it. As a result, Comptroller Division personnel may not have identified management control weaknesses requiring corrective actions.

Management Control Program Guidance

DoD Directive. DoD Directive 5010.38, "Management Control (MC) Program," August 26, 1996, requires managers to "... continuously monitor and improve the effectiveness of vital management controls. Continuous monitoring and other periodic evaluations should provide the basis for the annual statement about reasonable assurance." The purpose of the Directive is to establish the DoD management control program and address the establishment and assessment of management controls. In addition, the Directive establishes policy and assigns responsibilities. The Directive requires that all DoD Components do the following:

- establish a management control process;
- segment the DoD Components into assessable units;
- conduct risk assessments on the assessable units;
- develop a management control plan;
- evaluate the effectiveness of management controls, including conducting internal or alternative management control reviews as necessary;
- schedule and monitor corrective action if management control weaknesses are identified; and
- prepare reports.

An assessable unit is any organizational, functional, programmatic, or other applicable subdivision capable of being evaluated by management control risk assessment procedures, management control reviews, alternative management control reviews, or other actions.

DoD Instruction. DoD Instruction 5010.40, "Management Control (MC) Program Procedures," August 28, 1996, states that all heads of DoD

Components should “. . . establish and maintain their management control program and ensure compliance with this Instruction and [DoD Directive 5010.38].” The Instruction requires that each DoD Component develop a management control program that is segmented along organizational, functional, or programmatic lines into assessable units. The DoD Component must establish and maintain an inventory of assessable units, which should be reviewed and updated annually.

Command Instruction. U.S. Atlantic Command Instruction 5010.1C, “Management Control (MC) Program,” February 22, 1999, states that the objective of the USJFCOM management control program “. . . is to provide managers with a mechanism to formally assess the efficiency and effectiveness of controls in their functions, programs, and processes, and to identify and correct weaknesses in their controls.” The Instruction also requires that assessable units with medium risk ratings be given a followup review within 2 years through either an internal management control review or an external alternate management control review. The following table shows when followup management control reviews or alternate management control reviews should be performed.

**Effect of Assessment Risk
on Review Schedules**

Assessment Risk	Next Review
Low Risk	Every 3 years
Medium Risk	Every 2 years
High Risk	Every year

In addition, the Instruction requires managers of assessable units to conduct “. . . informal reassessments every year and formal reassessments at least every 5 years and as major changes occur.”

USJFCOM Implementation

In accordance with guidance, the Commander in Chief, USJFCOM, delegated responsibility to the Inspector General, USJFCOM, for administering and imposing quality control over the USJFCOM management control program. The responsibilities included maintaining and updating the list of assessable units at USJFCOM headquarters. USJFCOM directorates, staff offices, and points of contact were assigned management control program responsibilities for each assessable unit.

Reviews and Assessments

Comptroller personnel last performed a management control review in October 1994 for the functional area of budget formulation and execution. The review resulted in a medium risk assessment. According to Command guidance, the medium risk assessment warranted either a management control review or an alternate management control review within 2 years. A management control review of budget formulation and execution should have been performed by October 1996. Even with the best possible risk assessment, management would have been required to perform a review in 3 years, or by October 1997. However, as of December 1999, no formal management control review of budget formulation and execution had been performed.

Command guidance also provides that informal reassessments be performed each year and a formal reassessment be conducted at least every 5 years. The documentation available for the review in October 1994 was for the formal reassessment, not a management control review. Therefore, another formal reassessment would have been required by October 1999. No record exists of any management control reviews of budget formulation and execution during that time period.

The Comptroller Division underwent major changes in size and scope after FY 1996. Since FY 1996, staffing grew from 11 to 29, the budget grew from \$122 million to \$191 million, 5 Joint Command sub-activities were created, and the administration of travel and purchase cards was added to the work load. Command guidance requires that formal reassessments be conducted whenever major changes occur. Reviewing the effect of the changes on the Comptroller Division would have identified any need for additional assessable units. As of December 1999, no additional risk assessments or management control reviews had been performed.

Conclusion

The Comptroller Division managers need to increase their efforts to ensure that the management control program is effective and adequate. Management must ensure that the management controls comply with DoD-wide and Command-wide policies and regulations. Management must also ensure that all risk assessments and management control reviews are performed as scheduled and according to DoD and USJFCOM guidance. After the reorganization of the Comptroller Division, the assessments and reviews are needed to help managers determine where they should use their resources.

Reviewing only the assessable unit for budget execution and formulation may not ensure that the management controls for all Comptroller Division functions are effective. In recognition of the increased responsibilities for administering travel and purchase cards and coordinating travel vouchers, consideration should

be given to adding assessable units for those areas to the Comptroller Division's management control plan. A comprehensive list of assessable units should completeness and accuracy of ratings and reports.

Recommendations

We recommend that the Comptroller, U.S. Joint Forces Command:

1. Perform risk assessments and management control reviews as scheduled and required by DoD and U.S. Joint Forces Command guidance.
2. Perform risk assessments whenever major changes occur in an assessable unit and update the management control program, if necessary. Identification of the appropriate assessable units should be part of the effort.
3. Ensure that actions undertaken to correct identified management control weaknesses are accomplished.

Management Comments Required

The U.S. Joint Forces Command Comptroller Division did not comment on a draft of this report. We request that the Comptroller provide comments on the final report.

Appendix A. Audit Process

Scope

Work Performed. We performed this audit of USJFCOM Comptroller Division operations in response to a request by the Commander in Chief, USJFCOM. USJFCOM requested that we assess the efficiencies of specific areas within the Comptroller Division. See Appendix C for the audit request letter. We evaluated the processes for budget execution and formulation and liquidating travel claims; we also reviewed civilian attendance records, overtime, and compensatory time. In addition, we reviewed the administration of travel and purchase cards. We also evaluated the adequacy of the DoD management control program as it applied to the primary objectives. The Comptroller Division budget for FY 1999 was \$191 million.

We interviewed employees of the Comptroller Division and the Personnel Department. In addition, we reviewed local Command employees' timecards for the pay periods ending October 9 and October 23, 1999, and usage reports of overtime and compensatory time for October 9 and November 6, 1999.

DoD-Wide Corporate-Level Government Performance and Results Act Coverage. In response to the Government Performance and Results Act, the Secretary of Defense annually establishes DoD-wide corporate-level goals, subordinate performance goals, and performance measures. This report pertains to the achievement of the following goal, subordinate performance goals, and performance measures:

- **FY 2001 DoD Corporate-Level Goal 2:** Prepare now for an uncertain future by pursuing a focused modernization effort that maintains U.S. qualitative superiority in key warfighting capabilities. Transform the force by exploiting the Revolution in Military Affairs, and reengineer the Department to achieve a 21st century infrastructure. (01-DoD-2)
- **FY 2001 Subordinate Performance Goal 2.3:** Streamline the DoD infrastructure by redesigning the Department's support structure and pursuing business practice reforms. (00-DoD-2.3)
- **FY 2001 Subordinate Performance Goal 2.5:** Improve DoD financial and information management. (01-DoD-2.5)
- **FY 2001 Performance Measure 2.5.1:** Reduce the number of noncompliant accounting and finance systems. (01-DoD-2.5.1.)
- **FY 2001 Performance Measure 2.5.2:** Achieve unqualified opinions on financial statements. (01-DoD-2.5.2.)

DoD Functional Area Reform Goals. Most major DoD functional areas have also established functional area objectives and goals. This report pertains to the achievement of the following objective and goal:

Financial Management Functional Area. Objective: Strengthen internal controls. **Goal:** Improve compliance with the Federal Managers' Financial Integrity Act.

General Accounting Office High-Risk Area. The General Accounting Office has identified several high-risk areas in the DoD. This report provides coverage of the Defense Infrastructure high-risk area.

Methodology

Use of Computer-Processed Data. We relied on computer-processed data from the USJFCOM personnel office to determine the number of overtime hours disbursed in each pay period. Although we did not perform a formal reliability assessment of the computer-processed data, the timecards generally agreed with the computer-processed data. We did not find errors that would preclude use of the computer-processed data to meet the audit objectives or that would change the conclusions in this report.

We also relied on General Ledger Account 1960 reports of computer-processed data from the Standard Accounting and Reporting System – Field Level in the analysis of unmatched disbursements. We did not perform a formal reliability assessment of the computer-processed data. We did not find errors that would preclude use of the computer-processed data to meet the audit objectives or that would change the conclusions in this report.

Audit Type, Period, and Standards. We performed this economy and efficiency audit from October 1999 through January 2000 in accordance with auditing standards issued by the Comptroller General of the United States, as implemented by the Inspector General, DoD. Accordingly, we included tests of management controls considered necessary.

Contacts During the Audit. We visited or contacted individuals within USJFCOM. Further details are available upon request.

Management Control Program

DoD Directive 5010.38, "Management Control (MC) Program," August 26, 1996, requires DoD organizations to implement a comprehensive system of management controls that provides reasonable assurance that programs are operating as intended and to evaluate the adequacy of the controls.

Scope of the Review of the Management Control Program. The audit evaluated the implementation of the DoD management control program as applicable to USJFCOM Comptroller Division operations. Specifically, we examined all procedures and practices for liquidating travel claims; preparing civilian attendance records; recording overtime and compensatory time; administrating the health and wellness program, travel cards, and purchase cards; and executing and formulating the budget.

Adequacy of Management Controls. We identified material management control weaknesses as defined by DoD Instruction 5010.40. USJFCOM management controls were not adequate to ensure the efficiency of Comptroller Division operations. Recommendations 1., 2., and 3., if implemented, will assist in correcting the weaknesses. A copy of the report will be provided to the senior official responsible for management controls at USJFCOM.

Adequacy of Management's Self-Evaluation. Management of the USJFCOM Comptroller Division did not properly and effectively implement the DoD management control program to identify management control weaknesses. We consider that deficiency to be a material weakness as defined by DoD Instruction 5010.40, and one that resulted in failure to perform scheduled risk assessments and management control reviews and to perform risk assessments after major changes occurred. Management did not monitor the modifications to existing assessable units or evaluate the implementation of the management control program. See the Finding section for details.

Summary of Prior Coverage

Inspector General, DoD

On January 30, 1997, the Readiness and Operational Support Directorate of the Office of the Assistant Inspector General for Auditing, DoD, issued a memorandum, "Review of Financial Operations at the U.S. Atlantic Command." The memorandum describes our review of the efficiency and effectiveness of the U.S. Atlantic Command's financial operations. The objectives and scope of the review were limited to identifying problems in the work load, operations, and structure of the Comptroller Division. The memorandum suggests that the Comptroller Division management remove all travel-related responsibilities from the office, delay the implementation of the purchase card program, and establish standard operating procedures.

Appendix B. Other Matters of Interest

Budget Formulation and Execution

The USJFCOM Comptroller Division's budget formulation records were well-documented. A review of the documentation for budget execution for USJFCOM operation and maintenance funding and for one sub-activity showed that the documentation was consistent with criteria. One area that needed management attention was the resolution of unmatched disbursements. However, the Comptroller Division was not usually responsible for the creation of unmatched disbursements, and the Comptroller Division staff made reasonable efforts to resolve them. Also, the Department of the Navy continued to report a Navy-wide material weakness for unmatched disbursements in FY 1999.

Liquidation of Travel Claims

Background. The Comptroller Division is responsible for the Command-wide travel claim process and reviews travel orders and travel claims submitted by the travel coordinators in other divisions. Comptroller Division personnel reviewed travel claims, manually entered the claims into a logbook, and forwarded the claims to Personnel Support Detachment. In FY 1999, 6,295 travel orders were obligated, 4,729 were canceled, and 4,719 were settled. The total amount of FY 1999 obligations for travel was \$7,987,604 (\$6,017,916 direct and \$1,969,688 reimbursable).

The Comptroller Division received complaints about the length of time it took travelers to receive travel claim reimbursements. The USJFCOM Inspector General and the Comptroller believed that the delays originated in Personnel Support Detachment, although they acknowledged that procedures had been added to the Comptroller Division's tracking process. Comptroller Division personnel asked that the Division travel coordinators route travel claims through their office because they believed that was the only way they could obtain copies of all travel vouchers. Comptroller Division personnel stated that Personnel Support Detachment would not deal directly with the traveler, but would interact only with the 35 Division travel coordinators in the Command and with Comptroller Division personnel.

Management has reported a material control weakness in the travel area for the last 4 years. Specifically, the Annual Statements of Assurance for FYs 1995 through 1998 state that needed travel instructions should be published. However, as of December 1999, only an unpublished draft of the travel instruction was available.

Travel Order Process Within the Comptroller Division. When a Division travel coordinator sends a travel order to the Comptroller Division, an accounting technician files a copy of the order in the Comptroller Division's records. The Comptroller Division uses the copy to reconcile its accounts.

Travel Claim Process. Upon return from temporary duty, the traveler completes a travel voucher and sends the travel claim package through the Division travel coordinator to the Comptroller Division. The Comptroller Division reviews the travel claim and sends the package to Personnel Support Detachment, which processes the travel claim and returns it to the Comptroller Division. The Comptroller Division copies and processes the travel summary and forwards the original travel summary to the appropriate Division travel coordinator.

Analysis of Travel Claims. The Division travel coordinators used a travel claim checklist to ensure that travelers sent all the information required by Personnel Support Detachment. The Comptroller Division then used the same checklist for the same purpose. Although the use of the checklist in the Comptroller Division was redundant, personnel believed that the practice was worthwhile.

We analyzed the Comptroller Division's travel claim logs for March 1998 (when the log began) and August 1999. During those 2 months, the average processing time from receipt of a travel claim to forwarding to Personnel Support Detachment was 1 day. During the same 2 months, the average interval for processing a travel claim at Personnel Support Detachment increased from 14.2 days to 23.9 days. Therefore, we concluded that the delay in processing travel reimbursement claims was not caused by the Comptroller Division. The scope of our audit was limited to the Comptroller Division. Accordingly, we did not evaluate the Personnel Support Detachment procedures for processing travel claims.

Health and Wellness Program, Civilian Attendance Records, Overtime, and Compensatory Time

In March 1999, USJFCOM amended U.S. Atlantic Command Staff Instruction 6110.2C, "Health and Wellness Program," to allow civilians to participate in the health and wellness program. Enrollment in the program is optional and allows civilians time during the normal workday to participate in a fitness program at headquarters. Since the amendment, there have been allegations of abuse of the program. USJFCOM officials were concerned that civilian participation had caused an increase in requests for the overtime and compensatory time throughout the Command.

According to the amended instruction, 6110.2D, the supervisor must document and account for time authorized for physical fitness training on the time cards. However, USJFCOM guidance for preparation of time cards did not provide a code for timekeepers or supervisors to annotate fitness time on the time cards. In addition, USJFCOM supervisors did not document the time authorized for physical training on the timecards. We notified USJFCOM about the condition, and USJFCOM officials said they would address it.

As a result, no information was available to evaluate the allegation that civilian participation in the health and wellness program prompted an increase in overtime and compensatory time. We were unable to review individual time cards to determine whether the overtime was occurring on the day of the physical fitness training or make comparisons to pre-April 1999 overtime patterns for specific employees. We were also unable to perform any comparative analysis with prior year data because the prior year data were not available. However, we concluded that the number of overtime requests within the Comptroller Division increased with the addition of new employees and new programs, although the time cards showed no substantial increase in compensatory time.

While attempting to evaluate the physical fitness allegation, we noticed minor errors in the processing of time cards. We provided the specific details of the errors to management during our visit. Timekeepers and supervisors did not adhere to local guidance for preparation of time cards. Our review of time cards in the Comptroller Division showed an unapproved request for 20 hours of overtime, which resulted in 8 hours granted. In another instance, 1 hour of overtime was requested and approved for an employee, but 5 hours of overtime were granted. Timekeepers, supervisors, and Personnel Department employees did not detect the errors during the normal approval process. We provided the information to appropriate personnel during the audit, and actions were taken to resolve the matter.

Administration of Travel Cards

Travel Card Program. According to DoD Regulation 7000.14-R, the "DoD Financial Management Regulation," volume 9, "Travel Policy and Procedures," chapter 3-030304D, July 1998, "All reserve component personnel (to include Individual Mobilization Augmentees [IMAs]), and seasonal or part time civilian employees are authorized to use the travel card for official travel."

Personnel in the Joint Reserve Unit were not initially aware of the guidance on travel cards, although they became cognizant of it during the audit. A Joint Reserve Unit staff member said that travel card applications were presently issued to reservists as they reported for their monthly drills.

The Agency Program Coordinator (APC) did not reconcile travel card usage reports with official travel orders and travel logs published for the corresponding month, disregarding a management control prescribed by DoD Regulation 7000.14-R, volume 9, chapter 3-030308. Other APCs also disregarded the guidance. A cost-benefit analysis of that requirement might determine that it duplicates other controls in place and does not add any benefit to the organization.

During the audit of the Comptroller Division, specifically the travel card program, we reviewed the procedures that the various personnel offices used to check in and check out personnel. Although the Comptroller Division did not

control those procedures, they had a direct effect on the travel card program because the personnel offices administered personnel transfers into or out of the Command. Because neither the Personnel Program Support Division (Active Military) nor the Joint Reserve Unit (Reserve Military) required personnel to notify the Comptroller Division of transfers, the APC was unable to maintain a current database of travel card holders. Employees in both personnel offices stated that the policies and forms for check-in and check-out would be changed to require that the Comptroller Division be notified of transfers. The changes should enable the APC to comply with regulations by maintaining a current database of travel card holders.

Administration of Purchase Cards

USJFCOM implemented the Government-wide Commercial Purchase Card Program approximately 2 years ago to streamline the purchasing process. The Comptroller Division administers the purchase card program. The APC, a Comptroller Division staff member, has overall responsibility for management, administration, accounting data entry, and day-to-day operations of the purchase card program. The APC issues letters of delegation or grants of authority to officials to authorize the use of purchase cards, and the APC also acts as the certifying officer for purchases. The APC is also responsible for providing training to cardholders, performing semiannual audits of purchase cardholders, and providing an annual report to the Fleet Industrial Supply Center.

Naval Supply System Command Instruction 4200.94, "Department of the Navy (DON) Policies and Procedures for the Implementation of the Governmentwide Commercial Purchase Card Program (GCPC)," June 29, 1999, is the primary source of guidance from the Navy for the purchase card program. U.S. Atlantic Command Staff Instruction 4200.85, "Operating Procedures for Participation in the Governmentwide Commercial Purchase Card Program," July 7, 1997, meets the requirement in the Navy guidance to develop a local program of internal operating procedures. No problems were noted in our review of procedures in the purchase card program.

Appendix C. Audit Request Letter



DEPARTMENT OF DEFENSE
COMMANDER IN CHIEF
U.S. ATLANTIC COMMAND
1802 MCBACHER AVENUE SUITE 300
NORFOLK, VA 23581-3400

IN REPLY REFER TO:

5041

J001G2/909712

22 July 1999

MEMORANDUM FOR: Department of Defense Inspector General,
Director Finance and Accounting Directorate

Subject: Request for an Audit of U.S. Atlantic Command
Comptroller Division

1. The U.S. Atlantic Command Comptroller Division (J02F) last received an official audit by your office in November 1996. Subsequent to that audit, the Comptroller Division conducted a major reorganization that included adding responsibility for five Joint Sub-Activities. The consensus of the USAF Comptroller and Inspector General is that an audit is required to assess and identify where efficiencies can be improved. Specific areas for assessment are: organizational capabilities in light of the recent reorganization; the process for liquidating travel claims; civilian attendance records, overtime and compensation time.
2. We request that your office schedule an audit of the USAF Comptroller Division in August 1999. Coordinate scheduling efforts through the USAF IG office. Your assistance in accomplishing this audit is appreciated.
3. USAF point of contact is LCDR Diane Brooks, at (757) 836-5942.

JOHN F. MILLER, JR.
Major General, U.S. Air Force
Chief of Staff

Appendix D. Report Distribution

Office of the Secretary of Defense

Under Secretary of Defense (Comptroller)
Deputy Chief Financial Officer
Deputy Comptroller (Program/Budget)
Director, Defense Logistics Studies Information Exchange

Department of the Army

Auditor General, Department of the Army

Department of the Navy

Naval Inspector General
Auditor General, Department of the Navy

Department of the Air Force

Assistant Secretary of the Air Force (Financial Management and Comptroller)
Auditor General, Department of the Air Force

Unified Commands

Commander in Chief, U.S. Joint Forces Command
Inspector General, U.S. Joint Forces Command
Comptroller, U.S. Joint Forces Command

Other Defense Organizations

Director, Defense Contract Audit Agency

Non-Defense Federal Organizations

Office of Management and Budget
General Accounting Office
National Security and International Affairs Division
Technical Information Center

Congressional Committees and Subcommittees, Chairman and Ranking Minority Member

Senate Committee on Appropriations

Senate Subcommittee on Defense, Committee on Appropriations

Senate Committee on Armed Services

Senate Committee on Governmental Affairs

House Committee on Appropriations

House Subcommittee on Defense, Committee on Appropriations

House Committee on Armed Services

House Committee on Government Reform

House Subcommittee on Government Management, Information, and Technology,
Committee on Government Reform

House Subcommittee on National Security, Veterans Affairs, and International
Relations, Committee on Government Reform

Audit Team Members

The Finance and Accounting Directorate, Office of the Assistant Inspector General for Auditing, DoD, prepared this report. Personnel of the Office of the Inspector General, DoD, who contributed to the report are listed below.

F. Jay Lane
David F. Vincent
John A. Richards
Ronald L. Smith
James Fleischman
Kandy Sutton
Anissa Nash-Brooks

INTERNET DOCUMENT INFORMATION FORM

A . Report Title: U.S. Joint Forces Command Comptroller Division Operations

B. DATE Report Downloaded From the Internet: 07/25/00

C. Report's Point of Contact: (Name, Organization, Address, Office Symbol, & Ph #): OAIG-AUD (ATTN: AFTS Audit Suggestions)
Inspector General, Department of Defense
400 Army Navy Drive (Room 801)
Arlington, VA 22202-2884

D. Currently Applicable Classification Level: Unclassified

E. Distribution Statement A: Approved for Public Release

F. The foregoing information was compiled and provided by:
DTIC-OCA, Initials: VM Preparation Date 07/25/00

The foregoing information should exactly correspond to the Title, Report Number, and the Date on the accompanying report document. If there are mismatches, or other questions, contact the above OCA Representative for resolution.